

BRISTOL CITY COUNCIL

Overview and Scrutiny Management Board

4th February 2016

Report of: Patricia Greer - Interim Service Director- Policy, Strategy and Communications

Title: Devolution

Ward: Citywide

Officer Presenting Report: Patricia Greer

Contact Telephone Number: 0117 903 7369

RECOMMENDATION

That Overview and Scrutiny Management Board note progress to date, anticipated next steps and an update on the strategic governance review.

1. Context and Background

- 1.1 The Overview and Scrutiny Management Board (OSM) received a report at its meeting of 3rd September 2015 updating on the national and local context on devolution to enable further discussion, including the then forthcoming debate at Full Council meeting on 15th September 2015.
- 1.2 On 4th September 2015 the four Unitary Authorities forming the West of England grouping and the West of England Local Enterprise Partnership (LEP) responded to the invitation from central Government and submitted a Statement of Intent to HMG, expressing an interest in the devolution of powers, responsibilities and resources from other central and public governmental bodies to the West of England. This submission was made jointly by the four West of England Unitary Authorities, supported by the LEP.
- 1.3 The core of the devolution submission is the formation of a £1billion investment fund, created by borrowing and to be repaid from Government grants paid on the basis of economic growth generated by the investment (Payment by Results). We recognise that this approach to securing investment in infrastructure represents significant risk for the four Unitary Authorities. This will be managed and mitigated through:

- robust assessment using a purpose built analytic framework of the economic impact of the investment programme; and
 - a governance model based on transparent and accountable decision making
- 1.4 The programme to be funded by the investment fund will largely be determined by the outcomes from the integrated Joint Spatial Plan (JSP) and Joint Transport Study (JTS), prioritised by the analytic framework. The integration of the JSP and JTS, together with economic prioritisation, is a unique approach in the UK and has attracted significant interest from Government. This, together with the area's strong and successful economy, has prompted encouragement from both officials and ministers for ambitious proposals.

2. Progress Report

- 2.1 The original submission of September 2015 has been refined and developed by the four Unitary Authorities and the LEP. Workstreams have been established to focus on housing delivery, transport, infrastructure, economic modelling, finance, skills and governance. There have been a number of technical discussions between officers and civil servants and political discussions involving Ministers and Leaders/Mayor.
- 2.2 Officers from all four Unitary Authorities have worked closely together to develop a draft devolution agreement which the Leaders/Mayor have agreed as providing a starting point for the formal, high level negotiations with Government. These negotiations will hopefully lead to a proposed devolution agreement to be signed by the Leaders/Mayor and Ministers.
- 2.3 All Members were invited to attend a confidential briefing, updating them as to the stage the negotiations had thus far reached, on 19th January 2016.
- 2.4 Negotiations with HMG remain confidential at their request. If OSM Members require further detail the Board may wish to consider passing a resolution to consider that part of this item of business in the absence of public and press.

3. Next Steps - Agreement and Implementation

- 3.1 Any devolution agreement signed by the Mayor/Leaders and Ministers will be in principle and does not equate to the actual sign-up by this Council or the other Unitary Authorities to a formal devolution deal. The four Unitary Authorities will then enter into a process of clarification and refinement of the proposals which will include due diligence to ensure that financial plans are secure and proposals are deliverable.
- 3.2 Following due diligence the devolution agreement will need to be approved by each potential constituent member Council. Currently we anticipate this may come to a Full Council meeting in mid-2016.

- 3.3 Implementation will then require secondary legislation, following the coming into force of the provisions of the Cities and Devolution Bill currently awaiting Royal assent.

4. Strategic Governance Review

- 4.1 Further to the Cabinet decision of 3rd November 2015 at Bristol City Council, and in mid to late December at the other Unitary Authorities, a Strategic Governance Review is being undertaken alongside this process. Whilst the headline governance structure will be agreed as part of the devolution deal with HMG, the review will, once completed, provide the detailed governance scheme to be adopted as the means by which the devolution deal will be delivered.
- 4.2 We anticipate the outcome of this review, in the form of the governance scheme recommended for adoption, is likely to be presented to Council at the same or similar time as the approval of the devolution deal.